



TO: Board of Contracts and Awards
FROM: Andrew Cherullo, Director, and Finance Department
Patsy Best Procurement and Payable Manager
COPY: Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,
City Clerk, SBE Coordinator, LEAP Coordinator, and Kimberly Ward,
Finance/Purchasing
SUBJECT: Citywide Contract for as needed Electrical and Data Communication Supplies
US Communities Purchasing Alliance (U.S. Communities), Request for
Proposals No.EV2370, Graybar Electric Company Contract Master Agreement
No. EV2370
Public Utility Board September 12, 2018 and City Council September 18, 2018
DATE: August 8, 2018

RECOMMENDATION SUMMARY:

The Finance Department, Procurement and Payables Division, requests approval to increase Contract No. 4600013230 to Graybar Electrical Company, Kansas City, MO, by \$2,500,000, plus any applicable taxes, for electrical, lighting, data communications and security products, services, and solutions. This increase will bring the contract to a cumulative total of \$2,700,000, plus any applicable taxes.

STRATEGIC POLICY PRIORITY:

This increase directly aligns with the strategic policy priority below:

- Strengthen and support a safe City with healthy residents.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

This citywide contract provides an as-needed contract for electrical and data communication supplies. Previously the City had two separate contracts with Graybar: Contract 4600011639 for electrical supplies and 4600011640 for telecom supplies. By combining the two contracts, the City is able to leverage its purchasing power under one contract, resulting in a more efficient method of procurement and contracting. Historical expenditures of electrical and telecommunication with supplies with Graybar totaled approximately \$1 million for the previous two-year period with approximately 70 percent for Tacoma Public Utilities and 30 percent for General Government.

ALTERNATIVES: The alternative course of action would be to issue our own solicitation or buy these items without a contract. Because City employees may make walk-in direct purchases at storefront locations, convenience purchases of this type that are not under contract would be paid at full retail pricing if this contract were not in place. Neither alternative allows us to take advantage of national pricing we are getting on the current contract.



COMPETITIVE SOLICITATION:

This contract utilizes an interlocal agreement with U.S. Communities Purchasing Alliance (U.S. Communities). Master Agreement Contract No. EV2370 is a competitively solicited contract valid until March 1, 2023. The contract is the result of RFP EV2370 issued by the City of Kansas City, MO, on behalf of U.S. Communities. Three submittals were received in October 2017. This contract meets Tacoma’s competitive solicitation requirements by means of an interlocal cooperative purchasing agreement with U.S. Communities Purchasing Alliance and offers fixed discounts off the manufacturer current price book, rebate options, free delivery, no minimum purchase requirement, and no cost to use the contract.

CONTRACT HISTORY: The two earlier citywide Graybar contracts (4600011639, electrical supplies, expired March 31, 2018, and 46000116340, data communications supplies, expires December 31, 2018), were created to establish contract discounts for supplies. To maintain uninterrupted service for electrical supplies and gain efficiencies by having both categories managed as one contract, a new contract, 4600013230, valid until 2023, was created in April 2018 in the amount of \$200,000. Based on historical usage of previous contracts, approval is requested to increase the value of this contract by \$2,500,000 to allow purchases for the duration of the term. Contract 4600011640 Telecom Supplies will not be renewed.

SUSTAINABILITY: Graybar Electric Company has established many environmental practices. Some examples include green products, off-peak deliveries hours to reduce vehicle trips and vehicle emissions, and recycling efforts in packaging.

SBE/LEAP COMPLIANCE: Not applicable

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Department Funds			2,500,000
TOTAL			

REVENUES: N/A

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$500,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Various – Funds for the contract are provided by the individual departments using the contract. Funding beyond the current biennium is subject to future availability of funds. The user departments are billed directly for their purchases.

Jackie Flowers
Director of Utilities